
STATE IMPLEMENTATION OF THE

FAMILY SUPPORT ACT

A Management Advisory Report



OFFICE OF INSPECTOR GENERAL
OFFICE OF ANALYSIS AND INSPECTIONS

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PURPOSE

The purpose of this management advisory report is to provide early feedback on the States' implementation of the Family Support Act of 1988 (FS Act). Our review comes early in the planning and implementation stages for the States since they were proceeding under proposed regulations at the time of our contacts.

BACKGROUND

The FS Act, passed in October 1988, is aimed at reducing welfare dependency and easing the transition from welfare to the work force. Key to these ends are the Job Opportunity and Basic Skills (JOBS) provisions of the law.

With some exceptions, each State must meet mandatory participation rates for most Aid to Families With Dependent Children (AFDC) recipients. The participation rates increase from 7 percent in 1990 to 20 percent in 1995.

Target groups for participation are mandated and volunteers within target groups are to be given priority.

The States are required to conduct an initial client needs assessment including family circumstances for participants. An employability plan must then be developed, outlining both the State and client responsibilities. A case manager may also be assigned to each JOBS participant and family.

Participants in the JOBS programs will be provided child care, transportation, work-related expenses and Medicaid benefits. These supportive services also continue for a transitional period up to 12 months when a client moves from the AFDC roles into a job.

In addition to the JOBS provisions, all States must also institute an Unemployed Parent program beginning in 1990. The FS Act offers States participation in several demonstration projects relating to innovative programs for employment and supportive services. The FS Act also mandates several child support enforcement changes that all States must adopt.

Earlier this year, when the American Public Welfare Association surveyed the States on their intentions to effect the JOBS provisions of the FS Act, 32 States estimated they would start their programs by October 1, 1989. At the time of our contacts (most took place in August and early September), only 24 States had submitted their JOBS plans to FSA, with 16 of these approved by FSA.

METHODOLOGY

State welfare officials in all 50 States and the District of Columbia were contacted regarding their intentions in the planning and implementation of the FS Act and to ascertain what problems they face. In nine States, on-site discussions were held; the balance were conducted by telephone.

FINDINGS

At the time of our survey the States were at various phases of implementation, working under the proposed JOBS regulations. These findings are drawn from State self-descriptions. Detailed State-specific comments will be provided upon request.

MOVING INTO JOBS

The processes to plan for and implement these FS Act changes have been dynamic ones. Most of the States' activities relating to the FS Act have centered around the JOBS provisions.

1. STATES LAUD FSA ASSISTANCE

States praised the efforts and willingness of the FSA regional staff to work with them, by participating in State planning task forces, going on-site, training their staffs, and responding to their questions and concerns.

After the final regulations are released, States would like FSA to provide models of tracking and reporting of participation rates, case management, and client assessment. They felt FSA should also act as a clearinghouse of State ideas, and host conferences to promote the exchange of successful practices among States.

2. STATES FACE MAJOR CHANGES TO EXISTING WORK PROGRAMS

Many States expressed concerns about providing the range of employment, education, training, child care, and transportation services required by JOBS to remote or rural areas.

Although all States had some form of work program, most including provisions for at least a minimal allowance for child care and transportation for its clients who participated, many were restricted to a few counties. These programs were often characterized by minimal choices for employment and training services as well.

The expansion of very small demonstration projects to an eventual State-wide program represents a quantum leap for most States.

3. MANY STATES FORESEE PLANNING PROBLEMS IN JOBS IMPLEMENTATION

We queried whether States anticipate any major legislative, budgetary, staffing and training planning problems prior to JOBS implementation.

Twenty States reported no major problems were expected in these areas. Budget difficulties were anticipated by 18 States, while several others added that "money is always a problem." Staffing was cited by 7 respondents, training by 6, and legislation needs by 5.

Chart 2

States' Anticipated Problems with Implementing JOBS

States	Legislative	Budget	Staffing	Training
Alabama		x		
Alaska		x		
Arizona		x		
Colorado	x			
D.C.		x		
Hawaii			x	
Idaho	x		x	
Kentucky		x		
Louisiana		x	x	x
Maine		x	x	
Michigan		x		
Mississippi		x		
Missouri		x		
Montana	x			
Nebraska		x		
North Carolina	x	x		
Oregon		x		
Tennessee		x	x	x
Texas		x		
Virginia		x		
Washington		x		
Wyoming	x	x	x	x

The remaining States anticipated no major problems in the above areas.

ASSESSING CLIENTS UNDER JOBS

Welfare clients entering the JOBS program must be assessed prior to placement in any training, education, or employment component. This assessment is used in determining client skills, education, experience and needs. It is integral to arriving at an employability plan that will be agreed upon by the client and the JOBS agency.

1. STATES PLAN TO USE A TWO-TIERED JOBS ASSESSMENT

Many States are planning a two-tiered assessment of clients. In most cases, the initial assessment will identify basic client needs and in some cases the eligibility requirements for the program. This first assessment may also identify those who are job-ready, in which case the individual can be placed directly into a job search component. A second, more intensive, tier of assessments may be conducted at a later time.

2. MANY STATES ARE INCLUDING LITERACY TESTING IN ASSESSMENT

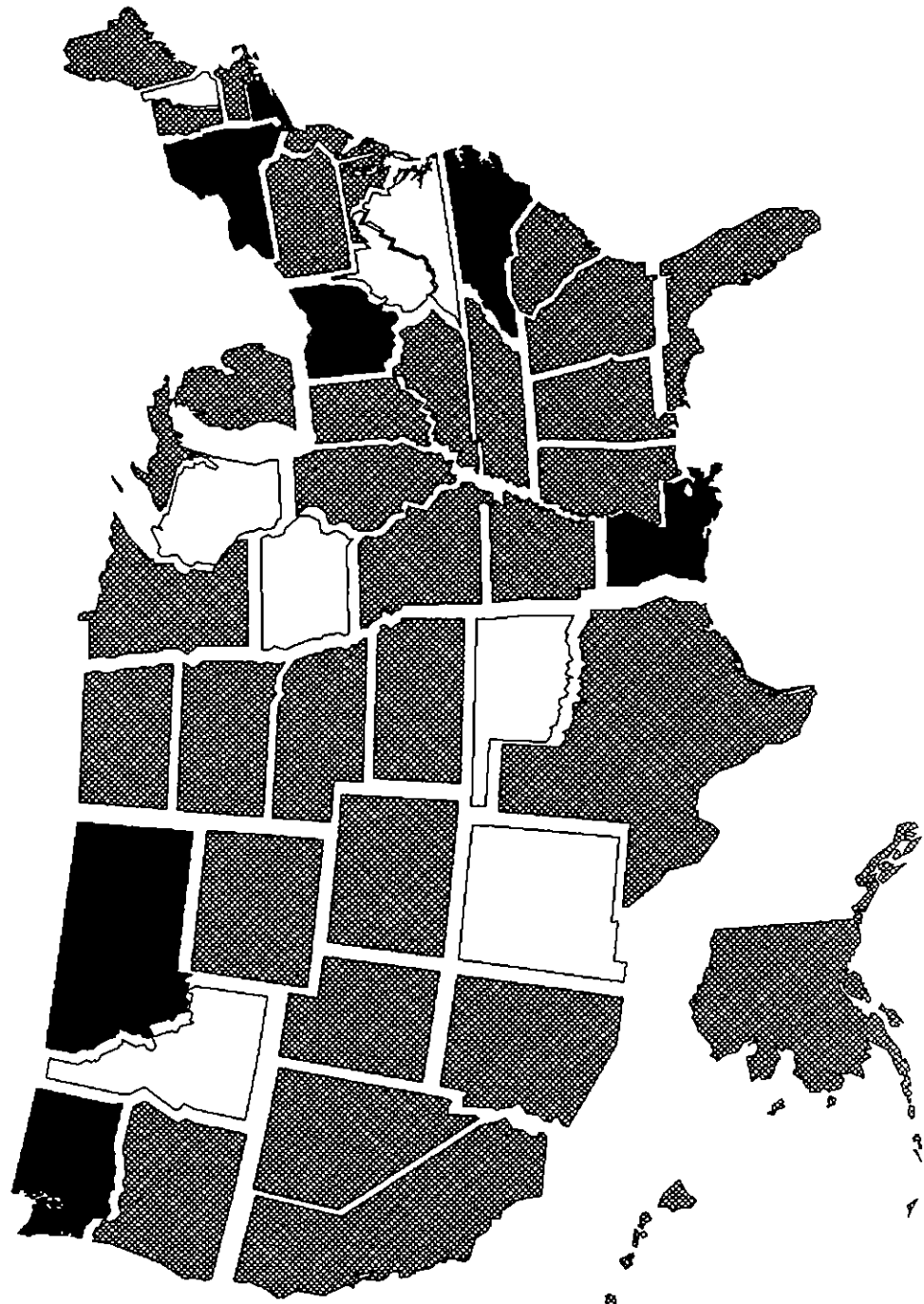
Although not required by the FS Act, many States will be testing the literacy of JOBS participants. These States feel this is a meaningful way to assess participants' capabilities and help place them in an appropriate component.

3. FEW WELFARE AGENCIES ARE UPGRADING ELIGIBILITY WORKERS TO CASE MANAGERS

In most States, the traditional eligibility staff will not serve as JOBS case managers. Within those States, the JOBS case managers will often be organizationally separate from the eligibility staff. New position descriptions have been developed in many instances, some requiring advanced college degrees. Some States indicated that they would like to retrain eligibility workers as case managers but have neither the time nor the resources.

Nineteen States identified case managers as the individuals who will be performing the client assessment. Five States will contract for assessment activities. Only two States will use eligibility workers for this function, while four are undecided. Eight States do not intend to use a case manager or any type of integrated services broker at all.

PLANNED CASE MANAGEMENT SYSTEMS



Plan To Institute Case Management System?

- yes
- no
- undecided

Chart 3

Based on discussions between 7/28/89-9/22/89; D.C., yes

The balance indicated that a combination of individuals would be conducting the various phases of the assessment. For example, a case manager may assess child care needs, but the State Department of Vocational Education will assess the skill levels of the individual.

DELIVERING BASIC SKILLS UNDER JOBS

One of the purposes for the creation of a JOBS program is to provide the means by which welfare recipients may attain the basic skills required to achieve self-sufficiency. The FS Act identifies mandatory groups to be specifically included in the JOBS program. These target groups are those historically considered to be the hardest to serve, and consequently the least likely to attain self-sufficiency.

1. EDUCATION IS A NEW EMPHASIS UNDER JOBS

States identified education as a new emphasis in achieving client self-sufficiency for their work programs. Most States have some experience in the employment and training components required by the law but many lack experience in integrating the educational component into their programs. This poses significant challenges for States in terms of coordinating with State and local educational institutions.

Some States noted that educational resources will have to change to increase the amount and focus of adult basic education. For example, States noted that General Education Degree (GED) programs were originally developed for older adults seeking high school equivalencies, and not for teenagers. Many of the JOBS participants who will be placed in a GED component are teenagers. Therefore, the educational community may have to reevaluate and expand their programs to fit the needs of this new population of students.

2. STATES ARE OFFERING OPTIONAL ACTIVITIES UNDER JOBS

In addition to the mandatory JOBS components, States are required to offer at least two of the following activities:

- o job search
- o community work experience program (CWEP)
- o on-the-job training (OJT)
- o work supplementation

These optional activities may vary within a State. For example, a county may offer job search and OJT, while a neighboring county may offer OJT and CWEP.

Planned Optional Activities under the JOBS Program

States	Job Search	CWEP	Work Supplementation	On-the-Job Training
Alabama	X	X		
Alaska	X	X	X	X
Arizona	X	X	X	X
Arkansas	X	X	X	X
Colorado	X	X	X	X
Connecticut	X			X
Delaware	X	X		X
DC	X	X		X
Florida	X	X	X	X
Georgia	X	X	X	X
Hawaii	X	X		X
Illinois	X	X	X	X
Indiana	X	X	X	X
Iowa	X	X		X
Kansas	X	X	X	X
Kentucky	X	X	X	X
Maine	X	X	X	X
Maryland	X	X	X	X
Michigan	X	X	X	X
Minnesota	X	X	X	X
Missouri	X	X		X
Nebraska	X	X	X	X
Nevada	X	X	X	X
New Hampshire	X			X
New Jersey	X	X	X	X
New Mexico	X	X		X
North Dakota	X	X	X	X
Ohio	X	X	X	X
Oklahoma	X	X	X	X
Pennsylvania	X	X	X	X
Rhode Island	X	X	X	X
So. Carolina	X			X
South Dakota	X	X		X
Tennessee	X			X
Texas	X			X
Utah	X	X	X	
Vermont	X	X	X	X
Virginia	X	X	X	X
Washington	X	X	X	X
West Virginia	X	X		X
Wisconsin	X	X	X	X
Wyoming	X			X

The following States are either undecided about which options will be offered or have left it to their counties to decide which options will be offered.

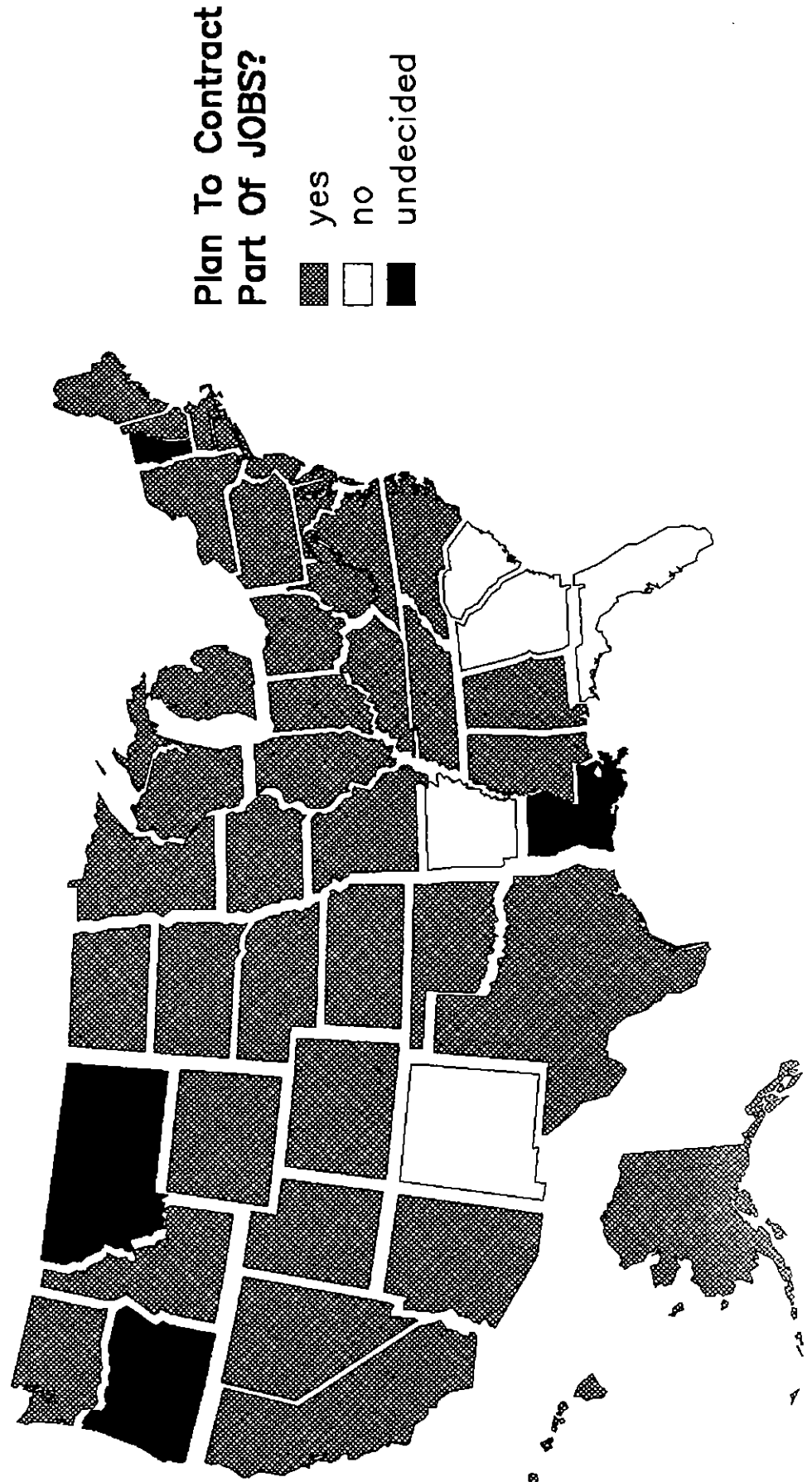
<u>County Option</u>	<u>Undecided</u>
California North Carolina New York	Idaho Louisiana Mississippi Montana Oregon

3. STATES ARE CONTRACTING A WIDE RANGE OF JOBS ACTIVITIES

Most States are contracting for the delivery of services in multiple JOBS components. Not only are they contracting in the traditional service delivery area (e.g. vocational education) but they are also contracting for assessment and case management as well.

PLANNED CONTRACTING OF JOBS

Chart 5a



Based on discussions between 7/28/89-9/22/89; D.C. planning no contracting

State Plans For Contracting JOBS Services

Chart 5b

Alabama	adult education	Minnesota	service delivery
Alaska	case management	Mississippi	all, if possible
Arizona	job readiness, job search, education, skills training, vocational rehabilitation	Missouri	all, but initial assessment
Connecticut	employment search, assessment	Nebraska	work experience, training
Delaware	education, life skills, job search	Nevada	skills training
Hawaii	employability plans, job development, job placement	New Hampshire	evaluation, job readiness, testing, employability placement
Idaho	education, job readiness	Oklahoma	training
Illinois	job club, job development	Pennsylvania	vocational training, work experience, other training
Indiana	all employment activities, assessment, training	Rhode Island	assessment, testing
Iowa	all services	South Dakota	job search, employability assessment, planning of OJT
Kansas	assessment, vocational rehabilitation	Tennessee	child care brokers
Kentucky	service delivery	Texas	child care brokers
Maine	all employment activities	Utah	education, some service delivery
Maryland	service delivery	Washington	assessment
Massachusetts	service delivery	West Virginia	job readiness, education, life skills, job search, vocational training
Michigan	service delivery	Wyoming	job club, vocational education

The following States are leaving it up to local discretion to decide what services will be contracted.

California
Colorado
New Jersey
New York
Ohio
North Carolina
Virginia
Wisconsin

The following States are undecided about whether they plan to contract out any part of JOBS.

Oregon
Montana
Vermont
Louisiana
North Dakota

The following States are not planning to contract out any part of the JOBS program at this time.

Arkansas
DC
Florida
Georgia
New Mexico
South Carolina

States are also entering into agreements with other State agencies, public agencies (e.g. Job Training Partnership Act [JTPA]), private organizations (e.g. Goodwill Industries) and Private Industry Councils to provide services to clients. These agreements may stipulate a referral agreement between the welfare agency and these entities without the exchange of money.

Some States are encouraging localities to contract, coordinate and network with local providers for services. One State noted that "our experience with State level contracts is they don't work. If locals negotiate their own contracts, then it is what they want."

Performance based contracting with service vendors will be utilized in a few States. Outlined in these contracts are the components a JOBS participant must successfully complete. At the time of completion of each component, the contractor will receive payment.

4. STATES ARE EXPERIMENTING WITH TARGET GROUPS

Several States mentioned a potential problem with being required to expend 55 percent of their JOBS funds on the required target groups. Five States (Washington, Wyoming, Idaho, Arkansas and Tennessee) will initially limit participation in their programs to the mandatory groups as a way to deal with this concern. Five other States (Oregon, Montana, Louisiana, Mississippi and New York) have not decided how volunteers will be incorporated into JOBS.

However, some other States are planning to include volunteers in their JOBS program by prioritizing groups within the mandated target population. Some examples of specific groups designated by States are: first time recipients who are illiterate; non-English speaking individuals; Hispanic-surnamed; public housing residents; and pregnant and parenting teens.

COUNTING, TRACKING AND REPORTING PARTICIPATION UNDER JOBS

States expressed uneasiness with the increasing participation requirements and the States' role in devising the necessary systems to monitor client activities and the concomitant supportive and subsequent transitional services.

1. INCREASING PARTICIPATION REQUIREMENTS ARE A CONCERN FOR MANY STATES

Twenty-one States voiced concern about their ability to meet the increasing JOBS participation rates required by the FS Act. Twelve other States were unsure whether the increasing rates will be a problem. Eighteen States indicated that they will not have a problem meeting the increasing participation requirements.

2. TRACKING AND REPORTING PRESENT SYSTEMS PROBLEMS FOR STATES

States are wrestling with the complex problems of collecting and compiling data, and the tracking requirements required by JOBS. For some States, the volume of data elements required and the stress that this volume places on current case tracking systems is enormous.

Some States do not have the level of automation required to track the necessary data elements. Some States must collect the required information manually (Kansas, Nebraska, and New Hampshire) until they can automate.

Developing new systems or making major modifications in old ones is a time consuming process that can also be quite costly. Some States project it may take anywhere from 1 year to 2 years to put the required systems in place. Colorado, Texas and Idaho indicated they are looking to other States to find models for tracking systems. Numerous States complained that the absence of a special Federal match for systems development presents a major problem.

Some States face a problem of interfacing with tracking systems of other agencies (e.g. State employment services). In some instances this interface works to the advantage of the welfare agency since the employment services agency already may have a well-developed tracking system in place.

3. STATES FAVOR DEVELOPING LONG-TERM OUTCOME MEASURES

"Reducing welfare dependency is a long term problem. Measuring the results should be longitudinal also." This attitude, voiced by a JOBS coordinator, typified the responses to our question asking what would be the best way of measuring outcomes of the JOBS program.

States acknowledge the importance of outcome measures but are wary of short-term measures which may not accurately reflect their programs' success. Many States noted that long-term welfare dependents usually have multiple barriers which have prevented them from entering the workplace. Therefore, States would like long-term outcome measures to be emphasized in the evaluation of their programs.

Regardless of the measures used, States emphasized the need to use a variety of outcome measures and to "avoid the JTPA trap of number of jobs and dollar amounts" as the definitive measure of the success of a program. The following are some long-term outcome measures suggested by the States:

- o number of people who took jobs because of transitional benefits
- o average wage at placement
- o rate of welfare recidivism
- o entered employment (by component and target group)
- o AFDC case closures by target group
- o increase in AFDC child support collections

Some States noted that they would like FSA to recognize State differences in the experience of States in the JOBS area. One suggested method would evaluate States based on a set of annual goals established between each State and FSA. Some States pointed out that this process takes into consideration where each State started and measures progress from that point.

SUPPORTIVE AND TRANSITIONAL SERVICES UNDER JOBS

The lack of affordable and reliable child care and transportation has been mentioned in numerous studies as barriers to employment. The FS Act addresses these issues by mandating that States provide such services in support of employment, education and training activities. Child care services are guaranteed for JOBS participants, and must be provided as transitional benefits, along with Medicaid benefits, for a 12 month period after the client secures employment.

1. STATES MUST CHANGE THEIR EXISTING METHODS OF PROVIDING CHILD CARE

All States currently provide some form of payment for child care services. Some States will continue to use existing programs for low income child care to administer the child care benefits or to purchase child care slots for the children of JOBS participants.

States intend to use a variety of methods to pay for child care with half of the States using a combination of methods, (i.e., paying the client, disregarding earned income, paying the vendor directly or buying child care slots for JOBS participants).

Only three States (Florida, Kansas, Maryland) plan to establish State run child care centers. However, several States are providing "everything but bricks and mortar" to child care agencies and entrepreneurs in attempting to ensure the availability of child care slots.

Many States cited issues that make it difficult to provide child care for JOBS clients. Many States report that there is a lack of available child care slots in many areas of their State. Other problems mentioned by the States are the lack of infant or toddler day care, the availability of day care at odd hours, half-day child care, and the availability of after school programs.

In some States, there is a need to change the types of child care arrangements for which States pay to give clients the choices as required in the FS Act. Fewer than half the States currently pay for all types of child care arrangements.

2. STATES MUST EXPAND TRANSPORTATION BENEFIT

All States but New Hampshire currently provide some type of transportation or reimbursement to encourage participation in work programs. These include the promotion of ridesharing and carpooling in rural areas, the purchase of tires and payment for car repairs. A few States have set up arrangements with gas stations for the purchase of gas for work program participants. Alabama, Ohio, and Virginia report obtaining vans to provide clients with transportation to their JOBS sites.

In addition, some States have attempted to make owning an automobile easier by providing the down payment, car insurance, license and registration fees. Maine recovers part of their transportation expenses advanced to clients for car repairs, licenses and other expenses by reducing the amount paid to participants from 22 cents per mile to 12 cents per mile.

In areas where public transportation exists, States have purchased tokens or bus passes as a way of providing transportation to JOBS clients. Some States have paid transportation costs for clients when a friend or relative provides the transportation. However, some States have found it impractical to provide money in advance to clients because of the difficulties of setting up petty cash funds.

Despite these innovative techniques, the expansion of the transportation benefit to provide State-wide coverage does cause several concerns. The major problem facing many States in providing transportation is the lack of public transportation in many areas.

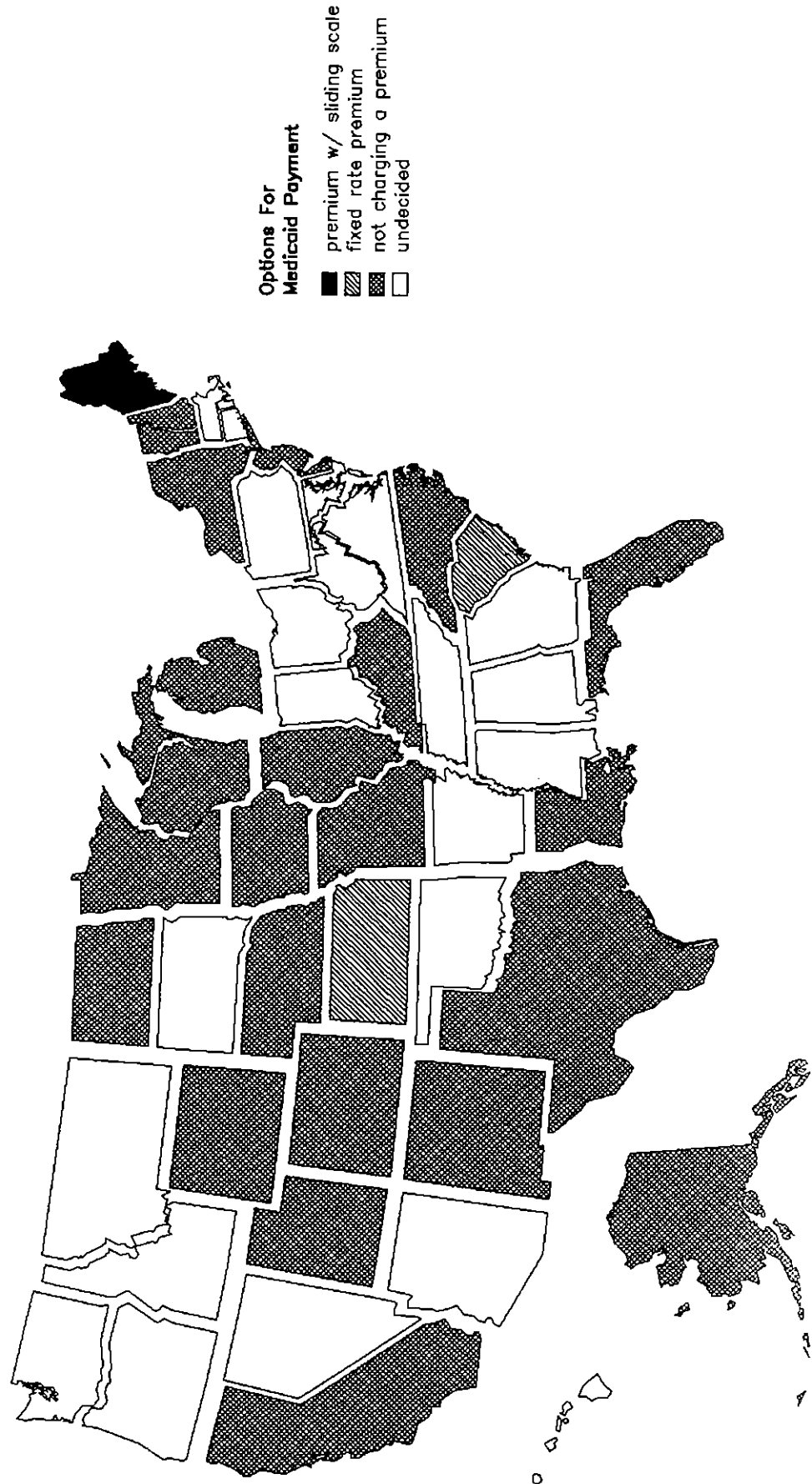
Many States also reported that the location of the JOBS employment, education, and training activities are often not within commuting distance for the client. Some States will pay temporary or permanent relocation costs to ensure that clients can receive the services needed under JOBS, since distance can be a reason to exempt a client from participating in JOBS.

3. MOST STATES ARE UNDECIDED ABOUT CHARGING FOR MEDICAID TRANSITIONAL BENEFITS

Twenty-six States are undecided about charging a premium to those receiving transitional Medicaid coverage. Twenty-two States will not charge a premium. Other States have indicated they will reassess their decision not to charge a premium after a period of time.

PLANNED MEDICAID PREMIUM OPTIONS

Chart 6



Based on discussions between 7/28/89-9/22/89; D.C., undecided

OTHER FS ACT ISSUES

1. CHILD SUPPORT LEGISLATION IS STILL NEEDED IN SOME STATES

The FS Act requires considerable strengthening of the child support enforcement capabilities of the States. Twenty-three States believe they need no additional legislation to implement the new child support provisions of the law, which include: immediate wage withholding on all new and updated support orders, the adherence to mandatory guidelines in establishing the amount of a support order, a periodic review of support orders, and paternity and genetic blood testing requirements.

The States below are planning to request additional child support legislation. However, regulations to implement these provisions may cause all States to re-evaluate their needs for legislation.

States' Plans for Additional Legislation to Enforce the Child Support Provisions

Chart 7

States	Immediate wage withholding	Mandatory Guidelines	Review of Support Orders	Genetic Testing
Alaska	x		x	
Colorado	x			x
Delaware	x		x	
D.C.	x		x	x
Idaho	x		x	
Indiana	x		x	
Iowa	x		x	
Kansas	x			
Kentucky		x		
Maine	x		x	x
Maryland	x	x		
Massachusetts				x
Michigan	x	x		x
Missouri		x		x
Nebraska	x			
New Hampshire			x	
New York	x			
Ohio		x		
Oklahoma			x	
Pennsylvania	x	x	x	x
Rhode Island	x		x	
Utah	x	x		
Vermont	x			x
Virginia	x			
Washington	x			
West Virginia	x			
Wisconsin			x	x
Wyoming		x		

2. STATES ARE INTERESTED IN FS ACT DEMONSTRATION PROJECTS

The FS Act also provides for demonstration projects. Although no money is currently appropriated to fund these demonstrations, 19 States expressed an interest in applying for one or more of these projects.

Chart 8

States Interested in Applying for Family Support Act Demonstration Projects

States	A	B	C	D	E
Alaska		X	X	X	
Arizona				X	X
Connecticut	X				
DC			X	X	X
Idaho	X				
Indiana	X		X		
Iowa			X		X
Maryland	X	X	X	X	X
Massachusetts					X
Michigan	X	X		X	X
Missouri	X		X		
Nebraska	X		X	X	X
New Jersey	X	X			
Rhode Island					X
South Carolina	X				X
Texas				X	X
Utah	X	X		X	X
Vermont		X	X		
Wisconsin	X	X			X

- A Demonstration Projects To Encourage States To Employ Parents Receiving AFDC As Paid Child Care Providers
- B Demonstration Projects To Test Alternative Definitions Of Unemployment
- C Demonstration Projects To Address Child Access Problems
- D Demonstration Projects To Expand The Number Of Job Opportunities Available To Certain Low-Income Individuals
- E Demonstration Projects To Provide Counseling And Services To High-Risk Teenagers

